



City of Cincinnati

Date: July 1, 2003

CENTER CITY PLAN AND ECONOMIC DEVELOPMENT RECOMMENDATIONS MOVE AHEAD

Lafley to chair new Cincinnati Center City Development Corporation

CINCINNATI, July 1, 2003 – Cincinnati Mayor Charlie Luken today announced further steps to transform Cincinnati's Center City into a more diverse, vibrant heart of the region. Acting on recommendations of the Cincinnati Economic Development Task Force and the Center City Plan Luken announced:

- ❑ Creation of the Cincinnati Center City Development Corporation (3CDC), a private sector real estate development organization. As recommended by the Economic Development Task Force, the 3CDC will oversee Center City Plan projects and programs to strengthen and leverage downtown's core assets, initially focusing on Fountain Square, Over the Rhine and The Banks.
- ❑ P&G Chief Executive A.G. Lafley as chair of the 3CDC Board, Federated Department Store Chairman Jim Zimmerman as Vice Chair. Additional Board and Working Group Chairs for each of the Center City Plan development focus areas will be appointed over the next month. A national search will begin shortly for a top-tier economic development expert to lead the 3CDC staff. Zimmerman will chair the search committee.
- ❑ Public and private sector capital commitments initially totaling \$150 million over five years to support Center City development. \$100 million is being committed by the City of Cincinnati, in line with its historical annual capital investment in City development projects. Western & Southern Company CEO John Barrett will lead creation of a new private sector equity fund, targeting to raise \$50 million over five years to support Center City development.

These actions follow earlier steps to implement Economic Development Task Force recommendations. On June 25, Cincinnati City Council passed ordinances to create the City's new Economic Development Division and to refocus the City's Department of Community Development and Planning. Work also is underway to create a one-stop center to streamline the City's development and permitting processes.

The Task Force also recommended reconfiguring the current Port Authority to expand its scope and powers. A transition team continues to work on this plan. In the meantime, the current Port of Greater Cincinnati Development Authority continues to operate with its full capability.

The Center City Plan defines four priorities:

- ❑ Enforcing aggressive public safety policies
 - ❑ Restoring Fountain Square as the center of downtown
 - ❑ Developing diverse, mixed use neighborhoods, including implementation of the Over the
- more-

- ❑ Rhine plan adopted by the City – focusing first on Washington Park – and integrating the Riverfront master plan adopted by the City and Hamilton County, including The Banks development, into the overall Center City program
- ❑ Creating the organization and financial resources to drive successful Center City development

“We are making things happen to accelerate Downtown development,” said Luken. “The Center City Plan focuses on revitalizing some of Cincinnati’s key assets – Fountain Square, Over the Rhine, the Riverfront – to create exciting destinations and diverse neighborhoods. The steps we are announcing today, along with City Council’s recent moves, take us from planning to action.

“We will focus on the downtown core, including the Riverfront and Over the Rhine, because these areas are the heart of the Center City,” continued Luken. “We also will look for ways to connect development in the core with destinations and neighborhoods in other parts of the Center City, including the Northern Kentucky Riverfront and the Uptown medical center and university areas, to increase the vitality of the entire region.”

“We can, and we must, take Cincinnati from being a good city to being a great city,” said Lafley, P&G Chief Executive and new Cincinnati Center City Development Corporation board chair. “The Center City Plan outlines clear priorities. We are putting the organization and resources in place to transform today’s disconnected projects and spaces into exciting new places, to turn designs and drawings into diverse, creative destinations. This is one essential part of being a great city.”

“It takes financial resources and creative financing tools to turn plans into reality,” said John F. Barrett, CEO of Western & Southern Company and Chair of the current Cincinnati Equity Fund Board. “To support the Center City Plan, we will create the Cincinnati Center City Development Fund. Our goal is to raise \$50 million in private capital over five years. The fund will align with the new development corporation and take a proactive role in shaping the future of the Center City.” The current Cincinnati Equity Fund will continue to support current commitments, including the new convention center expansion.

“Creating a Center City environment that feels safe is the first priority of the Center City Plan,” Luken commented. “Already this year we have made significant progress. Violent crime is down in our Center City, drug arrests are up, and the collaboration between the Cincinnati Police Department’s Downtown Services Unit and the DCI Ambassadors is making people feel more welcome and secure.

“We will continue the police focus on downtown with a full complement of officers on foot, horseback and bike patrol,” continued Luken. “We also are intensifying activity in Over the Rhine, with more drug sweeps, undercover operations and focus on reducing nuisance crimes such as panhandling and loitering to enhance overall quality of life. We will expand the Community Oriented Policing Program – successfully tested in Evanston and Madisonville – to Over the Rhine over the next months. This initiative will be an early project of the new Police Partnering Center program under the City’s Collaborative Agreement.”

“There are a lot of good things going on in our city,” concluded Luken. “We have momentum.

We are putting the right priorities, leadership and resources in place to accelerate progress and take Cincinnati from good to great. I appreciate the strong public-private partnership that has formed to make these important things happen.”

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NOTE: The Cincinnati Economic Development Task Force was chaired by Cincinnati City Manager Valerie Lemmie and Fifth Third Bank CEO George Schaefer. The charge from City Council to this task force was to reform economic development in the City of Cincinnati. Task Force recommendations cover regulatory reform, development incentives and the City’s structure and processes to accelerate development. The Task Force’s full report may be accessed at www.cincinnati-oh.gov.

The Center City Plan was sponsored by The Cincinnati Business Committee, Downtown Cincinnati, Inc., The Regional Initiatives Fund and the City of Cincinnati to create a plan to revitalize the Center City, starting first with the downtown core. Consultants HR&A were commissioned to help develop the plan, led by HR&A President John Alschuler, in cooperation with design firm Cooper, Robertson & Partners. The plan identifies development priorities and recommends implementation structures to increase the economic vitality and sustainability of the downtown core. An overview of the Center City Plan may be accessed at www.cincinnati-oh.gov.

CINCINNATI CENTER CITY DEVELOPMENT CORPORATION OVERVIEW

The Cincinnati Economic Development Task Force recommended creation of the Cincinnati Center City Development Corporation (3CDC) as part of the overall system to increase the effectiveness and efficiency of development activities in the City.

3CDC Purpose and Strategic Focus: The Cincinnati Center City Development Corporation will be a non-profit, privately led corporation responsible for enhancing downtown Cincinnati's position as a regional center of high value employment as well as housing, arts, education, culture and entertainment, including retail. The 3CDC will have three primary responsibilities:

- Set overall strategic direction and priorities for development in its primary focus areas, with the input of a broad range of stakeholders, and foster public-private collaboration.
- Put development deals together, working with the City, the Port Authority and private developers.
- Oversee project implementation to ensure public and private accountability for the successful completion of Center City projects.

The 3CDC's primary focus will be on implementing projects and programs that strengthen the core assets of downtown. Initially, the 3CDC will focus on three precincts: Fountain Square, Over the Rhine and The Banks.

The 3CDC will work collaboratively with the City's Economic Development Division, and the Port of Greater Cincinnati Development Authority to take full advantage of each organization's resources and abilities.

Structure (see chart on next page): The 3CDC is a non-profit, private-sector corporation. The Board will be a diverse group comprised of business leaders, working group chairs, and other leaders who bring unique expertise to the mission of the 3CDC. The 3CDC will employ a small professional staff with substantial experience in planning and executing large-scale public-private real estate development projects. The President of the 3CDC staff will be selected through a national search.

The 3CDC will initially commission three working groups, each dedicated to one of the core Center City Priorities: Fountain Square, Over the Rhine and The Banks. Each working group will have a chair who also serves on the 3CDC Board.

The new Cincinnati Center City Development Fund will become a subsidiary of the 3CDC organization. The Fund will have a Board of Directors representative of its investors that will make investment recommendations to the 3CDC Board.

Capital and Operating Funding: The City of Cincinnati has committed to invest \$100 million over five years to support Center City Plan projects. This is consistent with its historical annual capital investment in City development projects. Funds will primarily come from Downtown and Over the Rhine Tax Increment Financing (TIF) districts. In addition, Over the Rhine is eligible for Empowerment Zone funds and Federal Community Development Block Grants.

The private sector will create The Center City Development Fund, with the goal of raising \$50 million in private sector capital to help fund Center City projects. The 3CDC also will work closely with the Cincinnati Development Fund, a community development financial institution focused principally on housing.

3CDC operations will be funded privately, through business contributions as well as support from foundations and other philanthropic sources.

Cincinnati Center City Development Corporation (3CDC) Structure and Linkages

